R. D. File No. 283

1939

Collection No.

RFA 283 1939

Cons. 19/7/49

P49

Pros. / Serial Nos.

Subject.

Ir Indian Insurance Act – Application to 6 Fk. Station, Bangalore

Previous References.

RD 707/38.

Later References.

(Pl: See R7 519/40)

R. F. 142-1943.

RDs **FILE No. 283 1939**

Section. File No.

Heading. Serial No.

# NOTES.

DEPT. BRANCH.

Pros. 19 Nos.

Subject.

The Indian Insurance Act — Application to the 6 H. Station Bungalow.

Notes and Orders.

(RD 707/38)

S. 1.

MFP—1406 S&P—(M-2333)—18-3-37—200,000.

D. No. 4273. S. N. 1.

Extract from para 6 of notes ~~of~~ in K.Dis. F. 155-39 (Mysore Insurance Act file).

@ British Indian Insurance Act, 1938 (IV of 1938) and Amending Act XI of 1938.

1 * * * Examine application of the Act@ to Civil and Military Station please. See previous papers.

Sd/- H. Trevelyan.

2 Please see the above note. The question of the application of the Insurance Acts to the Civil and Military Station will be examined urgently.

Draft to Mysore Government submitted.

4.5.39

5/5

S. N. 2 issue.

~ Cor. p. 194 F. 205-37 3 Please see the draft of the modifications submitted to the Political Department in respect of the Insurance Act They said in December 1938 that as that Act was likely to be amended, the Act might be omitted from the Notification which was then to issue. The Act has now been amended, and in pursuance of section 1(3), 1st day of July 1939 has been appointed as the date on which the Insurance Act will come into force in British India.

* S.N. 64 Cor p. 202

* S.N. 1 Cor. p. 1.

4 The Insurance Act that is now applied to the Station is Act IV of 1938 as amended by the Amending Act XI of 1939 it is not therefore necessary to separately apply the Amending Act as in the case of some other Amending Acts which amended parent Acts after their application to the Station.

5

Con. p.205
F.205-37 (7)

The Political Department have largely accepted the modifications suggested by this Residency, except for slight verbal alterations. The only alteration of importance is as regards the definition of Insurer. Please see section 2(9) of the Act. Under the modification suggested by this Residency "British India" was to read as referring to British India and the Station where the words occurred for the first time only in that clause. Insurer meant (i) a body incorporated outside British India (foreign companies) carrying on business in the Station, and (ii) a body incorporated in the Station: a body incorporated in British India and carrying on business in the Station was not an insurer, and hence was not required to comply with the statutory requirements laid down by the Station Act. But the Political Department have altered the modification. Under this, (i) Companies carrying on business in British India are Insurers, and (ii) Companies incorporated in British India (and in the Station) are Insurers. But the ruling must be accepted. The Act will be as effective in its application to Companies carrying on business in the Station, and the modification may remain as suggested by them.

Material difference
See also modification (10)

The Amending Act calls for the following comments:

6

Section 2-A. "----liabilities in British India" will read as Station and not as British India and the Station as in section 2(9): authority for this is contained in section 9 of the main Act (IV of 1938), where "-----liabilities in British India" reads as Station. Hence no modification is necessary.

7

Section 12. Central Government will be Resident according to modification No.(9).

8

Section 14. Instead of making the transferors ascertain the principal place of business in British India, it appears it is better to keep this as it stands and make them

them give the notice at the principal place of business in the Station.

9 Section 28. Central Government will be Resident according to modification No.(9).

10 A ~~draftin~~ draft notification may be sent to the Political Department suggesting the modifications as approved by them. It will be seen that ~~that~~ the Amending Act does not call for modifications, and the modifications already suggested do not call for revision.

11 One more point remains to be noted. After the issue of the Notification by the Crown Representative, the Resident will have to issue a Notification under section 1(3) appointing the 1st day ~~of~~ July 1939 as the date on which the Act shall come into force as has been done by the Central Government in British India.

on later date

AsRao
5.6.39

(from para 3)

12. agreed. Please draft. Then submit Secretary. to DJ & Dt Judge to Sec.

H Ranjan
6/6/39.

13 Draft to the Political Department is submitted for approval.

POLITICAL & SECRET DEPTT. 10 JUN. 1939 B 13

AsRao
6.6.39

H Ranjan
7/6/39.

Secretary.

Dt Judge
DJ.

Dt. Judge, C.A.N. station, Bangalore
R. Dis. F. No. 283-38/Judl. dated 7th June '39.

14. The modifications in clause (9) of Section 2 seem to me to be somewhat anomolous. I would suggest the modification being made only where 'British India' occurs for the first time in sub-clause (a) of clause 9 of Section 2. If not, a company incorporated in Mysore and having a place of business only in the Station cannot come within the - definition of 'insurer'. The modification in sub-clause (b) of clause (9) will be clearer if 'British India or Civil and Military Station of Bangalore' is substituted for 'British India and Civil and Military Station of - Bangalore'.

15 In Section 46 'British India' where the words occur for the first time may be read as referring to 'British India or the Civil and Military Station of Bangalore'.

16. I agree with the other proposed modifications to the Act.

P. Nadapa
DISTRICT JUDGE.

To
The District Magistrate, C. & M. Station, Bangalore.

U.O.D.No.2678/39, dated the 29th June 1939.

Para 5 of Resident's Office Note and para 1 of Dt.Judge's remarks.

17 In view of para 5(vi) of the Application of Laws Order, 1937, which gives "British India" the meaning of "Station", it appears that even if no modifications are made in clause 9 of section 2, Companies incorporated either in British India or States (Foreign Companies) carrying on business within the Station will still come under sub-clause 1 of clause 9(a) of section 2 as "Insurers". The modification to this section may therefore be omitted.

Para 8 of Resident's Office Note.

18 I agree with the Resident's Office note. In this case a modification to the effect that section 14(a) (iii) of the Amendment Act of 1939 shall be omitted,

has to be included in the list of modifications in applying the Act to the Station.

Para 1 last sentence of District Judge's remarks.

19. The reference to modification in sub-clause (b) of clause (9) section 2 is not contained in the list of modifications at page 205 correspondence of Flag 'T'.

Para 2 of District Judge's remarks.

20 The suggested modification appears to give wider jurisdiction than need be to the Station Courts. Suits in respect of transactions entered into even in British India could, if this modifications is made, be filed in the Station. Since the intention is only to give privilege to the policy holders of the Station to file suits in the Station Courts and have them decided according to the laws of the Station, the section may stand as it is.

21 I agree with the other modifications.

H.H. Cadell

OFFICE OF THE
HON'BLE THE RESIDENT
IN MYSORE, BANGALORE.
5 JUL. 1939
Diary No. 6855
File No.

5.7.39

The Secretary to the Hon'ble the Resident in Mysore, Bangalore.
U.O.No.2383-D-39, dated the 3rd July 1939.

Section 2(9): Definition of 'Insurer'.

22

Cor. p. 205 (T) F 205-37

Although the modification suggested by the Political Department by which "British India" in clause (9) of section 2 shall be read as referring to British India and the Station may be suitable, in as much as the implication appears to be that a Company incorporated outside British India and carrying on business in British India will be an insurer as also such a Company carrying on business in the Station will be an insurer, it appears the modification suggested by this Residency appears more suitable. Under this modification Companies incorporated in British India (which comply fully with the statutory requirements in British India), and carrying on business in the Station are not insurers. Another proposal which may be considered is that contained in para 17 of notes. This meets the case just as effectively as the modification suggested by this Residency did, with the only difference that Companies incorporated in British India and carrying on business in the Station are insurers; they need, however, not comply with the statutory requirements twice over in view of modification (10). But it is submitted there is no point in making the modification suggested in para 14 of notes. It does not appear to be correct to say as District Judge points out that according to the modification suggested by the Political Department, a Company incorporated in Mysore and having a place of business only in the Station cannot come within the definition of an 'insurer'. This result will follow if the modification is "for 'British India' substitute 'British India and the Civil and Military Station of Bangalore", and not when the modification is "British India shall be read as referring to British India and the Civil and Military Station of Bangalore" In all the circumstances, it appears the Political Department may be informed that the draft forwarded by them is considered suitable except in regard to the definition of 'insurer', which should be as suggested by this Residency, namely, in clause (9) of section 2, 'British India' where

Cor. p. 194 (T) F. 205-37

the

the words occur for the first time shall be read as referring to British India and the Civil and Military Station of Bangalore.

23 It does not appear to be necessary to carry out the modification suggested in para 18 of notes. The proviso (D) inserted in the main Act by section 14 of the Amendment Act will meet the purpose.

24 (1) (Sl 22/18: 155-39) In this connection please see the copy of the memorandum prepared by the Fire Offices Committee. Their comment follows generally on the footing that an advanced Insurance legislation of the kind that may be required in British India is quite unsuited to the State of Mysore, where the limited volume of Insurance business transacted does not warrant special regulation. It appears the same propositions may be laid down in regard to Administered Areas, with this difference that there will be no need to the setting up of an Insurance Department and the appointment of a Superintendent of Insurance, and thus calling for a "costly organisation out of proportion to the gain to the insuring public or to the necessities of the situation generally in the State". For purposes of the Station Act, the Superintendent of Insurance will be the officer appointed by the Central Government in British India. Please see modification (3). All of the Companies transacting business in the Station presumably are transacting business in British India, and will comply with the Indian Insurance Act. But there may be Companies incorporated in the Station and confining themselves to the Station, or again Foreign Companies not doing business in British India but in the Station only. This Act will be required to deal with such Companies. The Donation Union Link on Railways is a Company incorporated in the Station to which the Act, as applied, will be applicable. But as they are transacting business in British India - "carrying on business in British India" -, they will have to comply with

the

the requirements of the British Indian Act. Branch Offices in the Station of Insurance Companies incorporated in British India are insurers within the meaning of the Station Act, when D.M's proposal is adopted. The Fire Offices memorandum suggests that as an alternative to the omission of the Act altogether from the Mysore Statute Book, a provision can be incorporated granting exemption to insurers who comply with the Indian Act. The necessity for this was realised and it has already been incorporated in the Station Act. In all the circumstances it appears the proposal to apply the Act to the Station may be sent up to the Political Department, and it may be left to them to decide on grounds of policy whether it should be applied to the Administered Areas.

at page 29 ante (1)

Asst. 9.7.39

(From para 14.)

Secretary.

25 we should have the act to cover mushroom Companies confining themselves to the Station. We might incorporate Sec 116 of Mysore Act suitably amended in our Act in order to avoid duplication with the Mysore act in respect of Companies incorporated in Mysore State & working in Cant Station. Mysore

26 Re. 2(9). We can agree with Pol. Dept's draft. I don't see it will make any material difference, though both our & D.M's Solicitors are neater. Dr. Judge is, I think, incorrect.

Draft is for approval (P 13) Hughes 12/7/39.

Asst 12.7.39

12-7-39

Resident

Provident Societies. Modification (10) may be suitably changed to include Provident Societies.

After orders are passed on the various points raised, draft will be submitted.

PsRao
7.2.40

Secretary.

See sectional notes below. Please draft on the following points. District Judge may see draft.

(1) Amendment of modification (10) making it permissive and including the Provident Insurance Societies.

(2) Amendment of Section 118 to include the Govt. of Mysore.

(3) Amendment of Sections 2A and 9 and new provision regarding winding up in the British Indian Act to cover the Administered Areas.

11/2/40

transferred to Collection (2) of this file

29

We do not want Companies incorporated in the Station and doing business in British India to be necessarily totally exempted from the requirements of the Act as applied to the Station, if they comply with the provisions of the Act as in force in British India. We should be able, if we require it, to enforce against them any of the provisions in the Act. For instance, if a Company is shaky, we could insist on the making of deposits in the C & M Station as otherwise with all the deposits in British India the Station depositors might be denied any share in the liquidation proceedings although the Company was incorporated in the Station. Similarly in the case of Companies incorporated in British India but doing business in the Station, we might in certain circumstances wish to demand deposits or the maintenance of assets in the C & M Station in order to enable the C & M Station depositors to obtain a share if a Company is wound up. This is on the assumption that no amendment will be made in the British Indian Act to ensure that the courts take into account in distributing assets the claims of shareholders, etc. in the Administered Areas. The easiest way to do this is to make modification (10) permissive instead of mandatory. Incidentally, in suggesting this to the Political Dept. we may mention as one reason that the effect of this modification in its mandatory form will be to exempt companies incorporated in the Station and doing business in British India from complying with any requirements under the Station Act and it is considered necessary that it should be possible to make them comply with such requirements in certain circumstances even though they are also complying with the requirements in the British Indian Act. We will also amend modification (10) to include

Provident Insurance Societies.

12.

2) For the existing modifications (9) and (10), 3 new modifications are suggested. On further consideration, it appears that instead of inserting a general provision and retaining section 116 in the Station Act, section 116 itself may be modified to contain the general power to exempt.

Regarding the amendments to sections 2A and 9, the position may be explained to the Political Department, and they may be requested to suggest to the Central Government the insertion of the words "and areas administered by the Crown Representative" after the words "British India" in sections 2A and 9 of the British Indian Act. As regards winding up, the matter is very important, and if approved the suggestion may only be made to the Political Department without a draft. For orders.

ASRao
13.2.40

Secretary.

I agree. Subject to minor modifications made in draft. In writing to Pol. Dept. say that the new modification is suggested, since it may lead to certain difficulties in relation to companies incorporated in the Station & doing business also in Br. India, if the exemption from the provisions of the Station Act in favour of companies which have complied with the Br. Indian act is made mandatory. The intention is however that the Resident shall under Sec 116 as modified normally exempt all Companies which have complied with the Br. Indian Act from the provisions of the station act. Draft please. H. Fuller
16/2/40

13

31 Draft to the Political Department is submitted for approval.

AsRao
15.2.40 Dt. Judge may now see

Secretary.

16/2/40

District Judge, Cantt. Station, Bangalore

u/o. No. R. D. F. No. 283-39/Jude, dated 19th Feb. 40.

32 Seen. In para 4 of the draft instead of 'depositors' 'policy holders' or 'creditors' seems preferable.

5.20 pm

District Judge.

U.O. No. 919/40
Dated 24/2/40. To

The Secretary to
the Hon'ble the Resident in Mysore,
Bangalore.

Secy 61 33 An Error, which has been noticed

Draft for approval.

25/2/40

Resident.

S. M (4) issue

34.

The Insurers now doing business in the Station are (1) Companies incorporated outside the Station and carryi on business in the Station - Branch offices of Oriental, Empire, Sun Life etc., and (2) Companies incorporated in the Station. The scheme of the Insurance Act in its application to the Station had been that Insurers who com plied with the requirements of the Act for the time being in force in British India would be exempted from the provisions of the Act in force in the Station. The Branch offices of British Indian insurers and foreign insurers doing business in the Station would thus be saved from complying with the statutory provisions twice over. Please see the proposed modification to section 116. As n regards insurers incorporated in the Station - the Donati nt Union Link on Railways and the All India and Burma Provid Fund - they obviously had to comply with the requirements of the Station Act and get the necessary exemptions under section 116 in British India. And on the Act coming into force in British India, exemptions were given under section 116 of the Act in regard to deposits under section 7 and investment of assets under section section 27. And as the 2 companies are insurers for the purpose of the Ac in force in British India, they will have to comply with the other provisions of the Act also like preparation of accounts and balance-sheets (section 11), audit (section 12) actuarial report (section 13) etc. In regard to the Station, however, these companies will have to comply with similar provisions like sections 7 to 9 of the India Life Assurance Companies Act, 1912, for it has been directed in the certificate of incorporation that they sha comply "with the Indian Life Assurance Companies Act, 1912". It is understood that the point arose in the proceedings in the District Court relating to the winding up of the Donation Union Link on Railways as to the exact

position

× Please see — para 2 of S.N.4 / Cor.p.5 (S)

& Cor.p.7 - (S)

(d) S.N.6 / R.Dis.304-39

Part of

Cor.p.9 of the Articles of Association

position of a Company which is governed both by the British Indian Insurance Act, 1938, and the Station Act of 1912. If approved, the file may be sent u/o. to the Registrar of Joint Stock Companies for favour of remarks on the suggestion of the Political Department.

HSRao
9.4.40

Secretary.

DLP/J

All 10/4.

Registrar of Joint Stock Co. c/m. station, Bagalore

u/o. No. D. 2563-40/Jodl., dated 10th April '40

35. I think it is desirable to apply the Insurance Act, 1938, as amended, to the Station as early as possible, subject to suitable modifications. No doubt the two companies incorporated in the Station are subject to the Insurance Act as in force in British India. But yet there are certain provisions of the Act which should be in force in the Station if the object underlying the legislation, viz., more effective control over Insurance Companies is to be achieved.

36. In the first place the Act in force in British India extends only to that area and not beyond it; and consequently it seems to me that even if any insurer were to contravene the provisions of the Act such as sections 20 (2), 29, 45, 50, 51 in respect of business carried on in the Station, the penal provisions of the Act cannot be effectively enforced. Perhaps no company may contravene the general principles of the Act with respect to business carried on in the Station; but yet the absence of an effective sanction in the Station may give room to insurers incorporated in the Station to disregard the provisions of that Act.

37. Secondly unless the Act is applied to the Station, there will be no court at all which can take cognizance of certain matters.

True
See 338.

38. Please see section 46 which confers very important rights on the policy holder. In case the Act is not in force in the Station the position will be that if an insurer contravenes the provisions of section 46 so far as a particular insurance business transacted in the C & M Station is concerned, there will be no court at all where the aggrieved policy holder could seek redress. He cannot move a British Indian Court since no such

court will be a "Court of competent jurisdiction" for the purpose of business transacted in the Station. Nor can he move any Court in the C & M Station since no court here can take cognizance of rights conferred by enactments which are not in force in the Station.

39. Thirdly it may be presumed that if His Excellency the Crown Representative ultimately decides that there is no necessity to apply the Insurance Act, 1938, to the Station for the reasons stated in the present letter from the Political Department, even the Act of 1912 which is in force here at present ~~but~~ (which has been repealed by the 1938 Act), will be deleted from the list of enactments applied. The effect will be that there will be no Insurance law at all in the Station. Such an eventuality will, in my opinion, be very undesirable, especially with reference to the question of winding up (Section 53). I am of the opinion both as Registrar of Joint Stock Companies and as District Judge that the Station Courts should not divest themselves of the jurisdiction to order the winding up of Insurance Companies doing business in the Station. In any case, such surrender of jurisdiction in respect of Insurance Companies incorporated in the Station, will be ill-advised. I beg to differ from the view expressed by the Political Department that since there are only two insurers incorporated in the Station, and that since they will be subject to the provisions of the Act as in force in British India in as much as they are carrying on business in British India, the application of the Act to the Station is unnecessary. The smallness of the number is no criterion at all, for one of these two companies, at least, is of all India importance, viz., the Donation Union Link on Railways. Further I have recently held that the affairs of that Company are far from satisfactory and there is all the more reason therefore why the C & M Station Courts should

not surrender their jurisdiction. It will not be proper for me to say anything more on this point since the appeal from my order in that case is pending disposal in the Hon'ble the Resident's Court.

40

The Political Department do not appear to have considered the suggestions made in paragraphs 3 and 4 of the letter from the Residency No.R.F.283/39 dated the 28th February 1940, probably because their present letter was issued before that was received. The points raised are of paramount importance so far as the Station is concerned and I request that their attention may again be drawn to the suggestions made in that letter. I may point out that a perusal of the recent Insurance (Amendment) Act, 1940 (XX of 1940), which received the assent of the Governor General on the 10th April, shows that the modifications suggested have not been made to the British Indian Act of 1938.

x E.N.H
(S) Cor. p. 5
Probably.

OFFICE OF THE
HON'BLE THE RESIDENT
IN MYSORE, BANGALORE.
2 MAY 1940
Diary No. 4455
File No.

P. Nadaiah
Registrar of Joint Stock
Companies.

To

The Secretary to the Hon'ble the Resident
in Mysore.

U/o 51/
1-5-40

Companies incorporated in British India and carrying on business in the Station: It appears that it is highly arguable whether contravention by an insurer of certain provisions of the Act - for example the provisions quoted by the District Judge in para 36 - in respect of business carried on in the Station can or cannot be effectively penalised. Please see section 102 of the Insurance Act. If an insurer contravened the provisions contained in sections 20(2), 29, 45, 50 or 51, the aggrieved person could set the law in motion in British India, for under section 102, any director, managing agent, manager or other officer of the company is liable to the penalty. For the sake of the convenience of the policy-holders, branch offices may have been established in the Station, but the parties to the contract of insurance are the policy-holder on the one hand and the Company on the othe which is in British India. The company is required to comply with the statutory requirements, and the branch office in order to enable the company to comply with such requirements, has likewise to comply with them. If there is any contravention, it is the company that is the offender. The offence will have been committed in British India, where the company is incorporated or has its principal place of business. If the view of the District Judge were accepted, a policy-holder in Mysore or Travancore cannot get a British Indian company penalised for a contravention of any of the provisions of the Act in respect of business transacted in those States. The legislature could not have intended to restrict the benefits and safeguards in regard to British Indian policy-holders only, and to render the State powerless to prosecute companies who infringed the law in respect of business carried on in Indian States or Administered Areas in India. It appears, therefore, that the application of th Act to the Station is not necessary if it is only to enforce the penal provisions against companies who contrave

the

the provisions of the Act in respect of business carried on in the Station.

42

× P.U.C

Companies incorporated in the Station: As stated in the letter of the Political Department and in para 34 of notes, there are at present only 2 such companies: the (a) Donation Union Link on Railways and the All India and Burma Provident (b) Fund. As regards the 1st, the District Judge has already ordered its winding up, and the appeal against this order stands posted to 2nd July 1940 in the Court of the Resident. As regards the 2nd, please see the correspondence that passed between the Assistant Superintendent of Insurance and the Registrar of Joint Stock Companies. In the scheme of the Provident Insurance Societies, the Registrar holds a very important and responsible position. The Registrar has been invested with very great powers of control over Provident Insurance Societies and may also be said to be charged with the duty of seeing that the Societies are properly managed. Please see sections 13 to 19 of the Act. In regard to these companies also, the necessity for the new Insurance Act appears to be unnecessary, until at any rate the future of the Donation Union Link on Railways is finally known.

(a) In liquidation
(b) Discussion liquidation.

S.N. 1
Cor. Pp 1+2 (Q)
D.No. 4209

43

In addition to the two points raised above, a third may be urged, namely that after retrocession the Mysore Insurance Act, which is almost a verbatim reproduction of the British Indian Act, would be introduced in the Civil Station, and there is no need now for a highly specialised piece of legislation during the interim period for the sake of and in regard to 2 companies, the fate of one of which hangs in the balance, and the other is changing over to an Act which imposes sufficient check on it to prevent fraud or mismanagement.

There remains only one important point to consider.

It

It has been stated in para 34 of notes that it has been directed in the certificate of incorporation of the Donation Union Link on Railways that it shall comply "wit the Indian Life Assurance Companies Act, 1912". It was also stated in para 42 that the All India and Burma Provident Fund was taking steps to get registered under the Provident Insurance Societies Act, 1912. But please see section 123 of the Insurance Act, 1938. With effect from 1st July 1939, on which date that Act came into force in British India, the 2 Acts mentioned in this paragraph stood repealed in British India. The point for consideration is what is the effect of this repeal in the Station. Please see items 71 and 72 of the Civil and Military Station of Bangalore Application of Laws Order. By para 3 of this Order certain British Indian enactments have been applied to the Station. This application presupposes or rather connotes the existence of the Acts in question on the British Indian Statute Book. But is such application operative only as long as the Acts concerned are in existence in British India and cease to be in force in the Station when they are extinct in British India? There is no ruling on the point from the Political Department, and the point must be examined. One view is that the powers of the Crown Representative to apply Acts to the Station are unlimited, and there is no legal objection to apply Acts specifically by name which were and are not in force in British India. Please see paras 41, 50 and 51 of notes on file No.205-37. But the Political Department were inclined to the view in respect of a certain Act which was considered necessar for the Station in a form different from the one in which it existed in British India, that a special notification and ultimately a local law should have to be made embodying those provisions. On the same analogy items 71 and 72 will have to be deleted from the Application of Laws Order, and there must be 2 local laws embodying thos provisions. The Political Department may, thus, be

put up.

put up

pag

All amendments have not to be specially applied by notfn. Presumably a repeal must also be specifically applied

S.N. 30
Cor. p. 114
F. 205-37

eventually & if desired

informed that Resident agrees that for the present the proposal regarding the application of the Insurance Act be dropped, but solicits a ruling in regard to the 2 Acts of 1912. For orders.

PSRao
19.5.40

(from para. 35)

Secretary.

45. The Pol. Dept consider that so long as no insured person wishes to prosecute the insurer in the C.M.S. there is no need to apply the Insurance Act, 1938.

Pue.

§38. 46. The D. J., on the contrary, wishes to apply the Act in case any insured person wishes to prosecute an insurer under it.

47. As suggested by Pol. Dept. the matter may be allowed to rest.

48. As for point raised by Office at end of §37, at the moment the repealed acts are in force here, rightly or wrongly, the courts have agreed to act on this assumption in the cases quoted. It is obviously most desirable, if the act is required here at all, to re-enact it as a local law. This question is, however, outside the scope of this file.

may be considered separately and at leisure.

20/5

Resdt

~~[illegible]~~ with

49 Please ask Vh Rao to come up at 2-30 PM with file

Asstt.

21/5

50 Agree the Govt whether the relevant Acts of 1912 are in force while claims may be examined shortly

21/5/40

Draft to Political Department submitted.

51

(from para 50)

A.R.
22.5.40

Secretary 52. Draft may be issued & 1912 Acts examined separately?

Hereth.

23/5

AM 23/5

23/5

S.N (6) issue

25

Dy.No. 5298 S.N. 7

53. Please see para 40 of notes. Para 2 of the present letter settles the matter. May be filed.

ASRao
30.5.40

P.G. 31/5

Secretary. 31/5.

D/ 6

28

Civil and Military Station,
Bangalore, Dated 20-10-1939.

Dear Sir,

54

I enclose herewith a note on the application of the Insurance Act to the Station, for your use.

Yours sincerely,

P Ramakrishna.

27

Issued
24/10/39

D.O.No. ST/1939.

(Camp)Mysore,
22 October 1939.

My dear Thomas

55

I am desired to forward a copy of a note regarding the application of the Insurance Act to the Civil and Military Station of Bangalore, written by the District and Sessions Judge, Civil and Military Station, Bangalore. The Resident will be most grateful if you could give him a note explaining the points raised with any suggestions for the amendment of the modifications already proposed for the application of the Act.

Yours sincerely

J.H.Thomas, Esq.,
Superintendent of Insurance,
Government of India,
(Camp) Mysore.

V.C. Please examine early with D.J's note H.Trev 30/10/39

28

Camp

New Custom House.

Bombay, the 28th October 1939.

My dear Trevelyan,

I enclose the note I have received from my office about the Memorandum you handed to me at Mysore. Unfortunately, they have not returned me the Memorandum, Neither have I any other papers with me, so that I cannot answer for the correctness of the points which have been mentioned. Nevertheless, I think you will find sufficient to enable you to give the ~~note~~ Memorandum careful consideration. I return to Delhi today, and if there is anything further in this matter which you like to raise, will you please write to me there.

Yours very truly,

J H Thomas

OFFICE OF THE
HON'BLE THE RESIDENT
IN MYSORE, BANGALORE.
30 Oct 1939
Diary No. 10,983.
File No.....

H. Trevelyan, Esquire, I. C. S.,
Secretary to the Hon'ble the Resident,
Bangalore.

29

I would be most grateful if you could very kindly make any suggestions on this, for our benefit.

H Trevelyan
21/10/39.

J.H. Thomas Esq.

In the absence of the file on the subject of the extension of the Insurance Act of British India to the Station which, I believe, contains references to several of the matters raised in the note, I propose to send the papers to Delhi for comment in the light of the file on the subject. Will you, therefore, please return the note to me so that this step can be taken.

J H Thomas

21. 10. 1939.

Mr. H. Trevelyan, I.C.S.

30

D. J.'s note.

## INSURANCE COMPANIES.

1 The three important sections the provisions of which every insurer should comply are 3, 7 and 27 or 98. The position of the following classes of insurers requires to be considered:

(i) companies incorporated in the C. & M. Station.

(ii) companies incorporated in British India.

(iii) companies incopporated outside British India more especially the Mysore State Government Insurance.

S. I.'s note.

2. Para.1 For the purposes of examination of the applicability of the Act, it is desirable that insurers under catagories (i) and (iii) are sub-divided into:-

(1) insurers carrying on insurance business in British India; and

(2) insurers not carrying on any insurance business in British India but carrying it on in the State.

Office comments.

nil.

D.J.'s Note. 31

2. Since it is proposed to exempt all insurers who have complied with the British Indian Act from complying with the Act as applied to the Station, only two classes of insurers will have to comply with the Station Act. Firstly insurers belonging to the C. & M. Station and second, insurers - established or constituted outside British India but carrying on business in the Station and not in British India.

S.I.'s Note.

In view of the proposal to exempt all insurers who have complied with the British Indian Insurance Act from complying with the Station Insurance Act, only those insurers out of (i) and (iii) who are carrying on insurance business in the Station, and not in British India, will have to comply with the Act as applied to the Station. But it is believed that there are no such insurers at present nor is any insurer likely to arise who intends to carry on business in the Station, whose small area may be further curtailed by the Rendition under consideration. But if there is no Station Act in respect of category (i), carrying on insurance business in British India, then the limited application of such of the sections of the British Indian Insurance Act as refer to liabilities in 'British India' only has to be considered. Examples are sections 2A, 9 etc., It is suggested however that the contingency of such a situation, whereby, a Station insurer proves to have no liability in British India, * even though he may have some in the Station only, is very remote and even so, will give enough time for the local authority to enact any special measures necessary at that time.

Office Note.

The Supdt of Insurance is correct in saying that an Act is necessary for the Station although there is no Insurer at present in the Station who does not also carry on business in British India, thus complying with the provisions of the British Indian Act, and consequently get exempted from complying with the requirements of the Station Act.

* It may be added that at the point when British Indian liabilities cease and Station liabilities only remain, the Station Act, if it exists, may at once apply to the Station insurer. The difficulty will arise only if no Station Act is promulgated because of sentence 2 para.3.

D.J.'s note. 32

3. (i) Companies incorporated in the Station.

Since they will have to comply with the Act in force here regarding registration, deposits and investment of their funds, it seems that full exemption under section 116 of the British Indian Act may be asked for them. The insurance companies in the Station I learn will be under the control of the Superintendent of Insurance in British India and it seems to me not fair to treat the companies registered in the Station as foreign companies in British India and impose on them all the restrictions placed on foreign insurers which carry on work in British India. There must be reciprocity.

S.I.'s note

Para.3 This para. probably has in view companies incorporated in the Station and doing business in British India. It is not understood why they should comply with the Station Act in view of the proposal to exempt them from that Act if they comply with the British Indian Act. So far as we are aware, there are only two insurers incorporated in the Station who appear to be doing business in British India and we have already issued a notification under section 116 of the British Indian Act in respect of these insurers by which they are now virtually on a par with the British Indian insurers. In future, if there arises any other Station insurer who intends doing insurance business in British India, it will probably ipso facto cease to be governed by the Station Act as it will be complying with the British Indian Act and a fresh notification for such an insurer may be issued by us so as to treat it also on a par with a British Indian insurer in similar circumstances. (There may be some provident societies incorporated or established in the Station and doing business in British India. But all provident societies are treated alike whether they are British Indian or non-British Indian and it is not necessary to consider their case. In fact, there seems to be no provision for such cases as under section 116, in their case.)

D.J.'s comments.

Of the two insurers at present incorporated in the Station, the All India and Burma Provident Fund has recently made an application to the Court for confirmation of an amend ment in its Memorandum of Association to enable the company to register under the Provident Insurance Societies Act, 1912. If the amendment is confirmed, the Fund will be governed by Part III of the Insurance Act and will have to comply with th Act both in British India and in the Station. An amendment to modification (10) of the Act, as proposed to be applied to the Station, so as to include Provident Societies also will obviate this difficulty.

Para 4. amendment of modification 10. "Insurers & Provident Societies", if, as appears, a Provident Society is not an Insurer.

---

The Supdt of Insurance is correct in saying that when companies, although constituted in the Station, carry on business in British India they will comply with ~~with~~ the requirements of the British Indian Act, and under the modification (4) in the Station Act will automatically get exempted. But District Judge perhaps has in view companies which may hereafter be formed in the Station, and not simultaneously start business in British India. When such companies comply with the requirements obviously of the Station Act they must enjoy a similar exemption in British India. But it may be seen that "full" exemption which the District Judge wants cannot be procured for them. Section 116 contains power to exempt from certain requirements, namely under sections 7 and 27. Registration under section 3 or filing of certain particulars under section 63 will be compulsory in British India.

---

modification 10 - should we add "except those incorporated etc. in the Station" - & then exempt them under Sec 116 ? (S 63 are unimportant) - otherwise what option have we? agree. note not posted in error.

Provident Societies : J.C. has ~~moved the point~~ Rulings

D. G.'s Note. 34

4. (ii) Companies incorporated in British India.

It is proposed to exempt these companies from complying with the Station Act. They will therefore be in a more advantageous position than a company actually incorporated in the Station; a Station company should comply with Secs. 3, 7, 27 and 63 in British India. Similarly if the company does business in the Mysore State, it should comply with the same sections in Mysore.

Agents of British Indian companies need not obtain a licence here but an agent of a Station company will have to take a licence both in the Station and in British India.

S. I.'s Note.

Para.4 As it is proposed to exempt from the Station Act, ~~companies~~ insurers incorporated or established in the Station doing business in British India and complying with the British Indian Act, it is not understood how the British Indian insurers doing business in the Station will be in a more advantageous position than the Station insurers. Both will be governed by the same British Indian Act only and if they are doing business in Mysore will be alike subject to the same provisions of the Mysore Act.

The reference to section 63 appears to have been made under a misapprehension. So far as the Station Act is concerned, sec. 63 would be applicable to non-Station insurers which establish a representative in the Station not less than three months before the Station Act is put into force. In any case, the present Station insurers are not concerned with this section nor the British Indian insurers as they will be exempt from the Station Act.

That section does not seem to apply to Station insurers who are established in British India not less than ~~months~~ before the commencement of the Act in British India.

Office Note.

The scheme underlying the Station Act as it is proposed is that nearly 99% of Insurers doing business in the Station are Insurance Companies of British India with Branches here. They will have already complied with the requirements of the British Indian Act, and there is no point in the Superintendent of Insurance compelling them to repeat the requirements in the Station. But if there are one or two Station Insurers who have to comply with certain requirements in British India, it is for them to move the authorities and get the British

Indian Act amended. The concern of this Administration is only to ensure that there are no hardships in the Station under the Station Act. Exemptions in British India must be considered from the point of view of the various foreign companies operating there, and not merely from the point of view of 2 Station Companies at present and no new company possibly in the future doing business in British India. It is incorrect to look at the question from the point of view of reciprocity between British India and the Station.

D. J.'s Note. 36

5. (iii) Companies incorporated outside British India.

Of these there are two classes, viz., those established outside India and those established in Indian States. They may be grouped and considered under two heads:- (a) companies carrying on business in British India and registered there, and (b) companies not doing business in British India.

Group (a) will be exempt from complying with the Station Act. As it is proposed to have the British Indian Superintendent of Insurance here also and as the companies will be put to a good deal of trouble if they are asked to make deposits and investments in small areas like the Station, it seems there cannot be very serious objection to grant the exemption ~~x~~ to the aforesaid insurers.

Group (b) will have to comply with the Station Act just as any insurer in the Station. Agents of such companies should also obtain licences under Sec. 42. At present there does not appear to be any company coming under this group.

S. I.'s Note.

B. Para. 5. No comments, except that there seems to be no need to anticipate any insurer under group (b) arising.

Office Note.

No comments

D. J.'s Note 37

6. Mysore Government Insurance.

It seems that some business is done by the Public Branch of the above insurer in the Station. Section 118 of the Act which exempts insurance business carried on by the Central Government and Provincial Governments does not apply to the Mysore Government Insurance; hence it cannot be exempted from complying with the Act. However since it is a Government business perhaps it will be exempted from complying with sections 7 and 27 of the Act under section 116; but yet it will have to comply with sections 3 and 63. The insurer can be wholly exempted from complying with the Station Act by making a suitable modification in section 118 of the Act as applied to the Station.

There is no provision in the Mysore Act to exempt insurance business carried on by the Central and the Provincial Governments. Whether the Postal Insurance which is intended only for Government officials will come under the Mysore Act seems somewhat doubtful. If it does, and the Mysore Government do not exempt it there can be no question of exempting Mysore Government insurance from the Station Act.

S. I.'s Note.

Para. 6. It is almost certain that the Mysore Government Insurance Fund will not come under the purview of the Station Act, as it is not likely to come under the definition of 'insurer' as given in any of the three sub-clauses of Clause (a) of sub-section (9) of section 2 of the Act. For their Public Branch, the Mysore Government has not probably established any office in the Station nor appointed any representative to obtain insurance business there. All that it probably does is to have an office in Bangalore, outside the Station territory, and any one wishing to have a policy in the Fund goes over to that office for the purpose.

Similarly the Post Office Insurance Fund also cannot come under the purview of the Mysore State Act as all the business done by it is in British India and possibly through correspondence in the case of a few Government servants who may be residing in Station territory; such as postal and railway officials (railway officials are not probably in State territory, strictly speaking).

D.J.'s comments on S.I.'s note.

2. It is not correct to say that the Mysore Government Insurance Fund will not come under the purview of the Station Act. It does come under the definition of 'Insurer' since representatives of the Fund (called Helpers) have been appointed in the Station to obtain insurance business here. There are in fact five representatives of the said Fund transacting insurance business in the Station and a person taking out a policy in the Public Branch has no necessity at all to go to the office of the Fund in the City. All that is necessary will be done by the Helper in the Station itself and the proposal sent up to the office by him. Please see Notification dated the 10th July 1939 at pages 1319 and 1320 of Part III of the Mysore Gazette dated 27th July 1939. It may also be noticed from the notification at page 1323 of the Gazette that the Fund has representatives to transact business even in British India. If these representatives are continued, I do not see how the Fund can fail to comply with the British Indian Act as well. In the circumstances it is necessary to consider the position of the Mysore Government Insurance Fund under the Station Act.

Para 7. Amendment of Sec 118 to read "by the Central, or by a Provincial Govt or by the Govt. of Mysore etc

39

Office notes.

From the facts now furnished by the District Judge, it is clear that the Mysore Government Insurance will come within the purview of the Station Act. It is for consideration whether a representation from the Government of Mysore may be awaited. Under the Insurance Acts in force in the Station and the State, many matters may arise for affording reciprocity. The Government of Mysore have provided for exemption in section 118 of their Act only as regards business carried on by the Government of Mysore. But if it is considered that without their request in this behalf the provision should be inserted, the words may suitably be inserted in section 118.

See my recommendation.

Ranga

D.J.'s Note. 40

7. Since it is proposed to exempt insurers who have complied with the British Indian Act from complying with the Station Act, (i.e., for deposits, investments etc.) two - questions regardin g such companies will have to be considered

(1) The effect of Section 2A of the British Indian Act.

(2) The position of the companies in winding up in British India.

(1) Section 2A provides that an insurer will be subject to the Act while his liabilities in <u>British India</u> remain unsatisfied. Hence if his liabilities in <u>British India</u> are satisfied he will cease to be subject to the Act there and can possibly withdraw his deposits; but having complied with the Act in British India he is exempt from the operation of the Station Act and can therefore escape without discharging his liabilities in the Station. Such a contingency may not - normally arise. But it is desirable to know how it is proposed to meet it. Perhaps the Superintendent of Insurance will take care of the interests of the Station public.

(2) As regards the question of winding up it has been seen in the liquidation of certain foreign companies in British India how the Courts prefer to conserve all the assets in British India for their own creditors. If a similar contingency were to arise in the case of an insurance company the deposits and investments made in British India will be utilised for persons living there, and people living here will be the losers because their Government did not think of protecting their interests. This aspect may also be considered.

S.I.'s Note.

Para. 7. Sec. 2 A The remedy probably is to amend section 2A of the British Indian Act by deleting the word 'British' occurring in the 3rd line of this section. Such change would be consistent with the provisions of section 27 and also of those relating to the accounts and valuation returns and from other considerations also. Some of the States will be exempting completely or allowing certain concessions to insurers incorporated or domiciled in British India or

D:4 XI 5 1929

L & many others Law Dep. Jams at all

doing insurance business in British India thus throwing indirect responsibility on the Central Government for business done in such states and it would be desirable that such insurers should continue to comply with the British Indian Act until their liabilities in respect of the entire Indian business are satisfied or otherwise provided for. But that is for consideration in British India, and so far as the Station is concerned, please see comments in para. 2 above. It may also be said, if section 2A of the Station Act includes Station liabilities, then any insurer who does business in the Station becomes subject to the Station Act immediately he ceases to be subject to the British Indian Act. But, of course, there will be no deposits or assets in the Station for an effective sanction.

D.J.'s Comments

Para 7.

Section 2A. I think that the deletion of the word 'British' in the section would serve the purpose. It will also be necessary to make a similar amendment to section 9.

Ref. X.1. of 1937

Para 8. Amendment of 2A coned. of course, only be effective in the British Indian Act. when no longer subject to the British Indian act, the Insurer would be subject to the Station Act; but in practice it would not keep If Govt. of India don't agree to proposed amendments in Sec 2A & 9, they must at any rate agree to "British India" & does need administered by the Crown Representative."

Office Note. 42

It appears the danger will hardly ever arise. If the Spdt of Insurance, who is administering the Act both in British India and the Station, finds that an Insurer has ceased to be subject to the British Indian Act, he will take neces-sary steps regarding deposits and investment of assets under the Station Act. For modification (10) will not be a bar for the enforcement of the provisions of the Station Act in as much as in such a contingency Insurers cannot be said to have complied with the requirements of the Act in force in British India, for the simple reason that that Act is not applicable to them. On point of fact, it is difficult to concieve of a Company who will close down business in British India and confine it to the Station.

J.C. Rao Reddy appreciated the situation. As above, what a Role with a bankrupt company with all its deposits in Br. India.

We can ask for the amendment of Sections 2A and 9 and for the proposal suggested by the District Judge regarding winding up with reference to Administered Areas only. Where States are concerned, the question of reciprocity arises and we need not touch it.

11/2/60

# CORRESPONDENCE.

S.1414

1

J. C.

OFFICE OF THE
H[illegible]D E THE RESIDENT
IN [illegible], BANGALORE.
25 APR. 1939
Diary No 4273
File No.....

RD 709/38

## DEPARTMENT OF COMMERCE.

### NOTIFICATION.

INSURANCE.

*New Delhi, the 1st April 1939.*

No. 589-I (4)/38.—In pursuance of sub-section (3) of section 1 of the Insurance Act, 1938 (IV of 1938), the Central Government is pleased to appoint the first day of July 1939, as the date on which the said Act shall come into force.

H. DOW,
*Secy. to the Govt. of India.*

No. 589-I(4)/38.

A copy of the above notification is forwarded to all Provincial Governments, all Chief Commissioners, the Political Officers, all Departments of the Government of India, the Political Department, the Secretary to the Executive Council of the Governor General (Defence Co-ordination), the Secretary to the Governor General (Public), the Bureau of Public Information, the Private Secretary to His Excellency the Viceroy and the Military Secretary to His Excellency the Viceroy.

A copy is also forwarded to the Registrars of Joint Stock Companies, the Reserve Bank of India, Calcutta, the Accountants General, Madras, Bombay, Bengal, Bihar, United Provinces and Central Provinces; the Comptrollers Assam, North West Frontier Province, Sind and Orissa; the Accountant General, Central Revenues, New Delhi, the Director General of Commercial Intelligence and Statistics, the High Commissioner for India, London the Indian Trade Commissioner, London, the Indian Government Trade Commissioners, Hamburg, Milan, New York, Alexandria, Mombasa and Osaka, His Majesty's Trade Commissioner in India, all Chambers of Commerce and Associations, and to the Central Board of Revenue.

By order, etc.,

J. H. THOMAS,
*Superintendent of Insurance,*
for *Secy. to the Govt. of India.*

GIPD—1CD—12-4-39—650.

Res. Mysore 38.

S. N. 2

OFFICE OF THE HON'BLE THE RESIDENT IN MYSORE,

*Bangalore, the* 13th May 1939.

R. D. No. F. 283-39. Fme (1)
~~R. O.~~ Jol.

A copy of the undermentioned paper(s) is forwarded with compliments to the Chief Secretary to the Government of His Highness the Maharaja of Mysore, ~~Department~~ for information, ~~in continuation of with reference to~~ the ~~correspondence ending with (his)~~ memorandum / letter / endorsement ~~from~~

~~No.~~ ~~dated the~~

By order, etc.,

S/S.
for *Secretary to the Resident.*

LIST OF PAPERS.

Notification ~~from~~ by the Government of India, Department of Commerce, No. 589-I(4)/38, dated the 1st April 1939.

4.5.39

1686—12-3-1937—2,000—RPB.

S.N.3

13

R.Dis.No.F. 283-39 Judl. Dated, 22nd ~~June~~ July '39

Encl. 1

Issue 14/7 Issued PRW 22/7/39

To

The Secretary to His
Excellency the Crown
Representative, Simla.

---

Application of the Insurance
Act, 1938 (IV of 1938) to
the Civil and Military Statio
,Bangalore.

---

Sir,

I have the honour to request that the Insurance Act,1938 (IV of 1938) as amended by the Insurance (Amendment) Act, 1939 (XI of 1939) may be extended to the Civil and Military Station of Bangalore. A draft notification is submitted for the consideration of His Excellency the Crown Representative.

I have etc.,

Resident.

AsRao 6.6.39

14.

Political Department.

No. Dated, 1939.

## Notification.

In exercise of the powers conferred by the Indian (Foreign Jurisdiction) Order in Council, 1937, and of all other powers enabling him in that behalf, the Crown Representative is pleased to direct that the following further amendments shall be made in the Civil and Military Station of Bangalore (Application of Laws) Order, 1937, namely:-

In the Schedule to the said Order, under the heading "Acts of the Central Legislature", after the entry "122. The Indian Companies (Amendment) Act, 1938 (II of 1938)", the following entry shall be inserted, namely:-

| | | |
|---|---|---|
| "122-A. | The Insurance Act, 1938 (IV of 1938) as amended by the Insurance (Amendment) Act, 1939 (XI of 1939) | ** |

Secretary to His Excellency the Crown Representative.

ASR
6.6.39

** Insert here the modifications given on cor.pp. 205 and 206 of File No.205-37, relating to the Insurance Act.

(T)

/

please see page 7 infra

From

The Hon'ble Lt.Col. J.H.Gordon, C.I.E., O.B.E., M.C.
Resident in Mysore.

To

The Secretary to His Excellency
the Crown Representative,
N E W  D E L H I.

Dated Bangalore, the 24 February 1940.

Application of the Insurance Act, 1938,
to the Civil & Military Station, Bangalore.

Sir,

I have the honour to refer to my letter R.Dis.No.F.283-39/Judl., dated the 22nd July 1939.

*S.N.3
Cap 3.

2. I request that modifications (9) and (10) contained in the draft sent by me may be replaced by the modifications shown in the enclosed draft. The new modification is suggested since certain difficulties may arise in relation to Companies incorporated in the Station and doing business also in British India, if the exemption from the provisions of the Station Act in favour of Companies which have complied with the British Indian Act is made mandatory. The intention is, however, that the Resident shall under section 116, as modified, normally exempt all Companies, including provident societies, which have complied with the provisions of the British Indian Act from the provisions of the Station Act.

3. I wish to raise two points for the consideration of His Excellency the Crown Representative. Section 2A of the ... in force in British India provides that an insurer will be subject to the provisions of the Act so long as his liabilities in British India remain unsatisfied. Hence if his liabilities

Briti

British India are satisfied, he will cease to be subject to the provisions of that Act, and under section 9 will be entitled to a refund of the deposit made under section 7. As the intention, as stated above, is normally to exempt Companies which have complied with the provisions of the British Indian Act from the provisions of the Station Act, the position of persons in the Station, and possibly in other Administered Areas who have made similar modifications to the Insurance Act or have not applied that Act, in respect of whom the insurer has liabilities, would be one of great disadvantage and insecurity. In order to meet this difficulty, I request that if the Crown Representative has no objection, the Central Government may, if an opportunity occurs, be moved to amend the British Indian Act by the insertion of the words "and areas under the administration of the Crown Representative" after the words "British India" in section 2A and after the same words occurring for the second time in section 9.

4. The second point concerns the position of creditors residing in the Civil and Military Station in regard to the distribution of assets of a British Indian Insurance Company in liquidation. Under the law as it now exists, creditors in an area administered by His Excellency the Crown Representative need not necessarily be included by a British Indian Court in the distribution of such assets, and they are therefore in a disadvantageous position compared with creditors in British India. It would be of great advantage therefore if, when the British Indian Act is being amended, a provision could be made so that creditors in Administered Areas may be in the same position as those in British India in this matter.

I have the honour to be,
Sir,
Your most obedient servant,

o/c

Lieut.-Colonel,

R E S I D E N T.

VN

RR

17

125. The Insurance Act, 1938 (IV of 1938)

(1) Clause (3) of Section 2 shall stand unmodified, and at the end of the clause insert "and any debenture or other security for money issued by the Govt of Mysore or under the authority of the Crown Representative.

(2) In clause (9) of section 2, sub-clause (e) of clause (2) and clause (3) of section 3, sub-section (2) of section 27 and in explanation to section 27 and (where the words occur for the second time) and in sections 63 and 64 (where the words occur for the first time) "British India" shall be read as referring to British India and the Civil and Military Station of Bangalore.

(3) In clause (15) of section 2, the words "Central Govt" shall stand unmodified and after "this Act" insert "as in force in British India".

(4) In section 36 the words "British India" shall stand unmodified.

(5) In clause (b) of section 93 and section 97, omit the words "or under an Act of a Provincial Legislature governin the registration of co-operative Societies".

(6) In section 95 -

(i) in sub-section (3), for the words "A Provincial Government may, subject to any rules made by the Central Govt" substitute "The Resident may";

(ii) in sub-section (4), for the words "A Provincial Govt may make rules not inconsistent with any rules made by the Central Govt", substitute "The Resident may make rules".

(7) In section 107 for the words "Advocate General of the Province where the principal place of business in British India of such insurer is situate", substitute "Resident".

(8) Omit the proviso to sub-section(2) of section 114.

(9) For section 116 substitute -

"116. The Resident may, by notification in the Mysore Residency Orders, exempt any insurer or provident society from the provisions of this Act ~~either absolutely or~~ subject to such conditions or ~~modifications~~ as may be specified in the notification.

any or all of / restrictions /

(10) In section 118 for "Central or by a Provincial Govern-ment" substitute "Central, by a Provincial or by the Government of Mysore".

(11) All references to the Central Government except in clauses (3) and (15) of section 2, ~~sections 116~~ and 118 shall be read as referring to the Resident.

Section

S. N. 5

18

No.F.161(3)-I.B/39.

OFFICE OF THE
H.B.M.'S RESIDENT
IN MYSORE, BANGALORE.
- 9 MAR. 1940
From
To
Diary No ...2563...
File No.....

Resident.

19 1013

The Secretary to His Excellency the
Crown Representative,

The Hon'ble the Resident in Mysore.

Dated New Delhi, the 4th March 1940.

Application of the Insurance Act, 1938, as later amended, to the Civil and Military Station, Bangalore.

Sir,

× S. N. 3 (5) Corp. 3 I am directed to refer to your letter R.Dis.No.F.283-39/Judl., dated the 22nd July 1939 on the subject cited above.

2. It has been found, on examination that the Insurance Act, 1938, as later amended, would require considerable modification before it could be applied to the Civil and Military Station, Bangalore. It is also understood that there are only two insurers incorporated in the Station and that both of them are carrying on business in British India and are therefore subject to the provisions of the Insurance Act as in force in British India. In the circumstances, it is considered that no useful purpose will be served by applying the Act to the Civil and Military Station, Bangalore, at present. The question may however be considered later if any Company is established in the Station, which has not complied with the provisions of the British Indian Act or if any other circumstances show application to be desirable.

I have the honour to be,

Sir,

Your most obedient servant,

G. Hancock

for Secretary to His Excellency the
Crown Representative.

S. N. 6

9

No.R.F.283-39
Judl

DEPARTMENT.

BRANCH.

File No.

Serial No.

Draft Letter / Memorandum / Telegram

Class for telegrams | INLAND: Immediate / Important / Express / Ordinary | FOREIGN: Immediate / Important / Ordinary / Without priority

No.

Dated 28th May 1940

To be issued on

Issued on

1st Reminder

2nd Reminder

3rd Reminder

Heading:

Case or Diary No.

If post copy of telegram required

Date of despatch of above

List of enclosures

(Code word for telegrams.)

To

The Secretary to His Excellency the Crown Representative, Simla.

---

Application of the Insurance Act, 1938, to the Civil and Military Station, Bangalore.

---

Sir,

I have the honour to refer to your letter No.F.161(3)-I.B/39, dated the 4th March 1940. I agree that the application of the Insurance Act, 1938, to the Station is not necessary at present.

I have etc.,

Resident.

Not to appear in original.

a reply with a copy of letter to which it is Copy/to the Registrar of Joint Stock Companies, Civil and Military Station, Bangalore, for information.

S. 5.
MG1PC—S5—1593(S&P)MFP—(M-944)—6-3-39—60,000 Pads

S. N. 7

No. F.161(3)-I.B./39.

10

From

The Secretary to His Excellency the
Crown Representative,

To

The Hon'ble the Resident in Mysore.

OFFICE OF THE
HON'BLE THE RESIDENT
IN MYSORE, BANGALORE.
2563
27 MAY 1940
Diary No. 5298
File No. R.D.283/39

Dated Simla, the 23rd May 1940.

Application of the Insurance Act, 1938, to the Civil and Military Station, Bangalore.

---

Sir,

I am directed to refer to your letter, R. Dis. No. F.283-39/Judl., dated the 28th February 1940, on the subject cited above and to say, with reference to paragraph 2 thereof, that, in view of the decision conveyed in this Department letter, No. F.161(3)-I.B./39 dated the 4th March 1940, it is not proposed to take further action in the matter.

2. The two points raised in paragraphs 3 and 4 of your letter have been brought to the notice of the Central Government for consideration if and when at any time it is proposed to amend Sections 2A and 9 of the Insurance Act.

I have the honour to be,

Sir,

Your most obedient servant,

for Secretary to ~~His Excellency~~ the
Crown Representative.

*DEPARTMENT.* *File No.*

BRANCH. *Serial No.*

**Draft** Letter / Memorandum / Telegram

Class for telegrams — INLAND: Immediate / Important / Express / Ordinary | FOREIGN: Immediate / Important / Ordinary / Without priority

No. Dated 19 .

To

| To be issued on | Issued on |
|---|---|
| 1st Reminder | |
| 2nd Reminder | |
| 3rd Reminder | |
| Heading: | |
| Case or Diary No. | |
| If post copy of telegram required | |
| Date of despatch of above | |
| List of enclosures | |

(Code word for telegrams.)

S. 5.

MGIPC—S5--1505(S&P)MFP—(M-944)—6-3-39—60,000 Pads.